

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 209

To replace the Aid to Families with Dependent Children Program under title IV of the Social Security Act and a portion of the food stamp program under the Food Stamp Act of 1977 with a block grant to give the States the flexibility to create innovative welfare-to-work programs, to reduce the rate of out-of-wedlock births, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 12 (legislative day, JANUARY 10), 1995

Mr. GRASSLEY (for himself and Mr. THURMOND) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To replace the Aid to Families with Dependent Children Program under title IV of the Social Security Act and a portion of the food stamp program under the Food Stamp Act of 1977 with a block grant to give the States the flexibility to create innovative welfare-to-work programs, to reduce the rate of out-of-wedlock births, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Welfare-to-Work and Strong Families Act of 1995”.

4 (b) TABLE OF CONTENTS.—The table of contents of  
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Purpose.
- Sec. 4. Definition of State.
- Sec. 5. Applications by States.
- Sec. 6. State welfare-to-work and stronger families program described.
- Sec. 7. State grants.
- Sec. 8. Termination of certain Federal welfare programs.
- Sec. 9. Secretarial submission of legislative proposal for amendments to medic-  
aid eligibility criteria and technical and conforming amend-  
ments.
- Sec. 10. Savings.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) The current welfare system is broken and  
9 requires replacement.

10 (2) “Work” is what works best for American  
11 families.

12 (3) Since State and local governments know the  
13 best methods of connecting welfare recipients to  
14 work and since each community faces different cir-  
15 cumstances, Federal assistance to the States should  
16 be flexible.

17 (4) Government has the responsibility to pro-  
18 vide a helping hand to assist individuals but individ-  
19 uals have the responsibility to use the assistance to  
20 help themselves.

1           (5) Between 1970 and 1991, the total number  
2 of all out-of-wedlock births in the United States has  
3 increased from 10 to 30 percent and, if that rate of  
4 increase continues, by 2015, 50 percent of all births  
5 in the United States will be out-of-wedlock.

6           (6) The negative consequences of out-of-wedlock  
7 births on the child, mother, and society are well-doc-  
8 umented as follows:

9           (A) Children born into families receiving  
10 welfare assistance are 3 times more likely to re-  
11 ceive welfare assistance when they reach adult-  
12 hood than children born into families that do  
13 not receive welfare.

14           (B) Young women who have children be-  
15 fore finishing high school are more likely to re-  
16 ceive welfare assistance for a substantial period  
17 of time.

18           (C) A single parent family is 6 times more  
19 likely to live in poverty than a two-parent fam-  
20 ily.

21           (7) Due to the crisis caused by the growing rate  
22 of out-of-wedlock births in the United States, the  
23 Congress deems the reduction of out-of-wedlock  
24 births to be an important governmental interest.

1 **SEC. 3. PURPOSE.**

2 The purpose of this Act is to create a block grant  
3 program to replace the aid to families with dependent chil-  
4 dren program under title IV of the Social Security Act  
5 and a portion of the food stamp program under the Food  
6 Stamp Act of 1977 and give the States the flexibility to  
7 create innovative welfare-to-work programs and programs  
8 designed to reduce the increasing rate of children born  
9 out-of-wedlock.

10 **SEC. 4. DEFINITION OF STATE.**

11 For purposes of this Act, the term “State” means  
12 each of the several States of the United States, the Dis-  
13 trict of Columbia, the Commonwealth of Puerto Rico, the  
14 Virgin Islands, Guam, and American Samoa.

15 **SEC. 5. APPLICATIONS BY STATES.**

16 (a) IN GENERAL.—Each State desiring to receive a  
17 grant to operate a State welfare-to-work and stronger  
18 families program described in section 6 shall annually sub-  
19 mit an application to the Secretary of Health and Human  
20 Services (hereafter in this Act referred to as the “Sec-  
21 retary”) containing the matter described in subsection (b)  
22 in such manner as the Secretary may require.

23 (b) CONTENTS.—

24 (1) FISCAL YEAR 1996.—An application for a  
25 grant to operate a State welfare-to-work and strong-  
26 er families program during fiscal year 1996 shall

1 contain a description of the program in accordance  
2 with section 6.

3 (2) SUBSEQUENT FISCAL YEARS.—

4 (A) CONTENTS.—

5 (i) IN GENERAL.—Except as provided  
6 in clause (ii), an application for a grant to  
7 operate a State welfare-to-work and  
8 stronger families program during fiscal  
9 year 1997 and each subsequent fiscal year  
10 shall contain—

11 (I) a description of the program  
12 in accordance with section 6;

13 (II) the State work percentage  
14 (as determined under subparagraph  
15 (B)) for each of the 2 preceding fiscal  
16 years;

17 (III) a statement of the number  
18 of participants who became ineligible  
19 for participation in the program due  
20 to increased income for each of the 2  
21 preceding fiscal years;

22 (IV) the State out-of-wedlock  
23 birth rate percentage (as determined  
24 under subparagraph (D)) for each of  
25 the 2 preceding fiscal years; and

1 (V) a statement of the amount of  
2 non-Federal resources that the State  
3 invested in the program in the preced-  
4 ing fiscal year.

5 (ii) SPECIAL RULE FOR FISCAL YEAR  
6 1997.—An application for fiscal year 1997  
7 need only contain the information de-  
8 scribed in subclauses (II), (III), and (IV)  
9 of clause (i) for fiscal year 1996.

10 (B) STATE WORK PERCENTAGE.—For pur-  
11 poses of subparagraph (A)(i)(II), the State  
12 work percentage (prior to any adjustment under  
13 subparagraph (C)) for a fiscal year is equal  
14 to—

15 (i) the average weekly number of par-  
16 ticipants in the State welfare-to-work and  
17 stronger families program who were em-  
18 ployed in private sector or public sector  
19 jobs for at least 20 hours per week, divided  
20 by

21 (ii) the average weekly number of par-  
22 ticipants in the State welfare-to-work and  
23 stronger families program.

24 (C) ADJUSTMENT.—

1 (i) IN GENERAL.—The State work  
2 percentage determined under subparagraph  
3 (B) for a fiscal year shall be adjusted by  
4 subtracting 1 percentage point from such  
5 State work percentage for each 5 percent-  
6 age points by which the percentage of indi-  
7 viduals described in subparagraph (B)(i)  
8 who are also described in clause (ii) of this  
9 subparagraph participating in the program  
10 in such fiscal year falls below 75 percent of  
11 the number of individuals described in sub-  
12 paragraph (B)(i) in such fiscal year.

13 (ii) INDIVIDUAL DESCRIBED.—An in-  
14 dividual described in this clause is a custo-  
15 dial parent or other individual who is pri-  
16 marily responsible for the care of a child  
17 under the age of 18.

18 (D) STATE OUT-OF-WEDLOCK BIRTH RATE  
19 PERCENTAGE.—For purposes of subparagraph  
20 (A)(i)(IV), the State out-of-wedlock birth rate  
21 percentage for a fiscal year is equal to—

22 (i) the total number of children in the  
23 State who were born out-of-wedlock during  
24 the fiscal year, divided by

1 (ii) the total number of children in the  
 2 State who were born during the fiscal year.

3 (E) MONITORING OF DATA.—The Sec-  
 4 retary shall ensure the validity of the data pro-  
 5 vided by a State under this paragraph.

6 (c) APPROVAL.—

7 (1) FISCAL YEARS 1996 AND 1997.—The Sec-  
 8 retary shall approve each application for a grant to  
 9 operate a State welfare-to-work and stronger fami-  
 10 lies program—

11 (A) during fiscal year 1996, if the applica-  
 12 tion contains the information described in sub-  
 13 section (b)(1); and

14 (B) during fiscal year 1997, if the applica-  
 15 tion contains the information described in sub-  
 16 section (b)(2).

17 (2) AUTOMATIC APPROVAL IN SUBSEQUENT FIS-  
 18 CAL YEARS.—The Secretary shall approve any appli-  
 19 cation for a grant to operate a State welfare-to-work  
 20 and stronger families program during fiscal year  
 21 1998 and each succeeding fiscal year if—

22 (A) the State's application reports that—

23 (i) the State work percentage for the  
 24 preceding fiscal year is greater than the



1 State work percentage for the second pre-  
2 ceding fiscal year; or

3 (ii) more participants became ineli-  
4 gible for participation in the State welfare-  
5 to-work and stronger families program  
6 during the preceding fiscal year due to in-  
7 creased income than became ineligible for  
8 participation in the program in the second  
9 preceding fiscal year as a result of in-  
10 creased income;

11 (B) the State's application reports that the  
12 State out-of-wedlock birth rate percentage for  
13 the preceding fiscal year is less than the State  
14 out-of-wedlock birth rate percentage for the sec-  
15 ond preceding fiscal year; and

16 (C) the State's application reports that the  
17 number of participants in the State welfare-to-  
18 work and stronger families program for the pre-  
19 ceding fiscal year is less than the number of  
20 participants in the State welfare-to-work and  
21 stronger families program for the second pre-  
22 ceding fiscal year.

23 (3) SECRETARIAL REVIEW.—

24 (A) IN GENERAL.—If a State application  
25 for a grant under this Act is not automatically

1 approved under paragraph (2), the Secretary  
 2 shall approve the application upon a finding  
 3 that the application—

4 (i) provides an adequate explanation  
 5 of why the application was not automati-  
 6 cally approved; and

7 (ii) provides a plan of remedial action  
 8 which is satisfactory to the Secretary.

9 (B) ADEQUATE EXPLANATIONS.—An ade-  
 10 quate explanation under subparagraph (A) may  
 11 include an explanation of economic conditions  
 12 in the State, failed program innovations, or  
 13 other relevant circumstances.

14 (4) RESUBMISSION.—A State may resubmit an  
 15 application for a grant under this Act until the Sec-  
 16 retary finds that the application meets the require-  
 17 ments of paragraph (3)(A).

18 **SEC. 6. STATE WELFARE-TO-WORK AND STRONGER FAMI-**  
 19 **LIES PROGRAM DESCRIBED.**

20 (a) IN GENERAL.—A State welfare-to-work and  
 21 stronger families program described in this section shall—

22 (1) provide that during fiscal year 1996, the  
 23 State shall designate individuals who are eligible for  
 24 participation in the program and such individuals  
 25 may include those individuals who received benefits

1 under the State plan approved under part A of title  
2 IV of the Social Security Act during fiscal year  
3 1995;

4 (2) provide that during fiscal year 1997 and  
5 each subsequent fiscal year, the State shall designate  
6 individuals who are eligible for participation in the  
7 program (as determined by the State), with priority  
8 given to those individuals most in need of such serv-  
9 ices;

10 (3) with respect to increasing the State work  
11 percentage, be designed to move individuals from  
12 welfare to self-sufficiency and may include—

13 (A) job placement and training;

14 (B) supplementation of earned income;

15 (C) nutrition assistance and education;

16 (D) education;

17 (E) vouchers to be used for rental of pri-  
18 vately owned housing;

19 (F) child care;

20 (G) State tax credits;

21 (H) health care;

22 (I) supportive services;

23 (J) community service employment;

24 (K) asset building programs; or

1 (L) any other assistance designed to move  
2 such individuals from welfare to self-sufficiency;  
3 and

4 (4) with respect to reducing the State out-of-  
5 wedlock birth rate percentage, be designed to  
6 strengthen two-parent families and may include—

7 (A) education;

8 (B) family planning services (except abor-  
9 tion-related services);

10 (C) a cap of benefits under the program  
11 with respect to additional children conceived  
12 out-of-wedlock after a participant has entered  
13 the program;

14 (D) the denial of benefits under the pro-  
15 gram to a potential participant in the program  
16 if that potential participant has a child born  
17 out-of-wedlock after a date established by the  
18 State;

19 (E) State tax credits for marriage; or

20 (F) any other assistance designed to re-  
21 duce out-of-wedlock births and encourage mar-  
22 riage.

23 (b) No ENTITLEMENT.—Notwithstanding any cri-  
24 teria a State may establish for participation in a State  
25 welfare-to-work and stronger families program created in

1 accordance with this Act, no individual shall be considered  
2 to be entitled to participate in that program.

3 **SEC. 7. STATE GRANTS.**

4 (a) IN GENERAL.—The Secretary shall annually  
5 award to each State with an application approved under  
6 section 5(c) an amount equal to—

7 (1) in fiscal year 1996, 100 percent of the  
8 State's base amount;

9 (2) in fiscal year 1997, the sum of 80 percent  
10 of the State's base amount, 20 percent of the State's  
11 share of the national grant amount, and any applica-  
12 ble bonus payment;

13 (3) in fiscal year 1998, the sum of 60 percent  
14 of the State's base amount, 40 percent of the State's  
15 share of the national grant amount, and any applica-  
16 ble bonus payment;

17 (4) in fiscal year 1999, the sum of 40 percent  
18 of the State's base amount, 60 percent of the State's  
19 share of the national grant amount, and any applica-  
20 ble bonus payment;

21 (5) in fiscal year 2000, the sum of 20 percent  
22 of the State's base amount, 80 percent of the State's  
23 share of the national grant amount, and any applica-  
24 ble bonus payment; and

1           (6) in fiscal year 2001 and each subsequent fis-  
2 cal year, the sum of 100 percent of the State's share  
3 of the national grant amount and any applicable  
4 bonus payment.

5 (b) STATE BASE AMOUNT.—

6           (1) IN GENERAL.—For purposes of subsection  
7 (a), a State's base amount is equal to—

8           (A) for fiscal year 1996, 100 percent of  
9 the amount determined under paragraph (2);  
10 and

11           (B) for fiscal year 1997 and succeeding  
12 fiscal years, 96 percent of the amount deter-  
13 mined under paragraph (2).

14           (2) AMOUNT DETERMINED.—The amount de-  
15 termined under this paragraph for a State is an  
16 amount equal to the sum of—

17           (A) the amount of Federal financial par-  
18 ticipation received by the State under section  
19 403 of the Social Security Act (42 U.S.C. 603)  
20 during fiscal year 1995; and

21           (B) an amount equal to the sum of—

22           (i) the benefits under the food stamp  
23 program under the Food Stamp Act of  
24 1977 (7 U.S.C. 2011 et seq.), including  
25 benefits provided under section 19 of such

1 Act (7 U.S.C. 2028), during fiscal year  
 2 1995 other than benefits provided to elder-  
 3 ly or disabled individuals in the State (as  
 4 determined under section 3(r)) of such Act  
 5 (7 U.S.C. 2012); and

6 (ii) the amount paid to the State  
 7 under section 16 of the Food Stamp Act of  
 8 1977 (7 U.S.C. 2025) during fiscal year  
 9 1995 for administrative expenses for pro-  
 10 viding benefits to nonelderly and non-  
 11 disabled individuals.

12 (c) STATE SHARE OF THE NATIONAL GRANT  
 13 AMOUNT.—

14 (1) IN GENERAL.—For purposes of subsection  
 15 (a), the State's share of the national grant amount  
 16 for a fiscal year is equal to the sum of the amounts  
 17 determined under paragraph (2) (relating to eco-  
 18 nomic need) and paragraph (3) (relating to State ef-  
 19 fort) for the State.

20 (2) ECONOMIC NEED.—The amount determined  
 21 under this paragraph is equal to the sum of the fol-  
 22 lowing amounts:

23 (A) STATE PER CAPITA INCOME MEAS-  
 24 URE.—The amount which bears the same ratio

1 to one-quarter of the national grant amount as  
 2 the product of—

3 (i) the population of the State; and

4 (ii) the allotment percentage of the  
 5 State (as determined under paragraph  
 6 (4)),

7 bears to the sum of the corresponding products  
 8 for all States.

9 (B) STATE UNEMPLOYMENT MEASURE.—

10 The amount which bears the same ratio to one-  
 11 quarter of the national grant amount as the  
 12 number of individuals in the State who are esti-  
 13 mated as being unemployed (determined in ac-  
 14 cordance with the Department of Labor's an-  
 15 nual estimates) bears to the number of individ-  
 16 uals in all States who are estimated as being  
 17 unemployed (as so determined).

18 (3) STATE EFFORT.—The amount determined  
 19 under this paragraph is the amount which bears the  
 20 same ratio to one-half of the national grant amount  
 21 as the product of—

22 (A) the dollar amount the State invested in  
 23 the State welfare-to-work and stronger families  
 24 program in the previous fiscal year, as reported  
 25 in section 5(b)(2)(A)(i)(V); and



1 (B) the allotment percentage of the State  
2 (as determined under paragraph (4)),  
3 bears to the sum of the corresponding products for  
4 all States.

5 (4) ALLOTMENT PERCENTAGE.—

6 (A) IN GENERAL.—Except as provided in  
7 subparagraph (C), the allotment percentage for  
8 any State shall be 100 percent, less the State  
9 percentage.

10 (B) STATE PERCENTAGE.—The State per-  
11 centage shall be the percentage which bears the  
12 same ratio to 50 percent as the per capita in-  
13 come of such State bears to the per capita in-  
14 come of all States.

15 (C) EXCEPTION.—The allotment percent-  
16 age shall be 70 percent in the case of Puerto  
17 Rico, the Virgin Islands, Guam, and American  
18 Samoa.

19 (5) DETERMINATION OF GRANT AMOUNTS.—  
20 Each State's share of the national grant amount  
21 shall be determined under this subsection on the  
22 basis of the average per capita income of each State  
23 and all States for the most recent fiscal year for  
24 which satisfactory data are available from the De-

1       partment of Commerce and the Department of  
2       Labor.

3           (6) NATIONAL GRANT AMOUNT.—The term  
4       “national grant amount” means an amount equal to  
5       96 percent of the sum of the amounts determined  
6       under subsection (b)(2) for all States.

7       (d) BONUS PAYMENTS.—

8           (1) CRITERIA.—Beginning with fiscal year  
9       1997, the Secretary may use 4 percent of the sum  
10      of the amounts determined under subsection (b)(2)  
11      for all States to award additional bonus payments  
12      under this section to those States which have the  
13      highest or most improved State work percentages as  
14      determined under section 5(b)(2)(B) and the lowest  
15      or most improved State out-of-wedlock birth rate  
16      percentages as determined under section 5(b)(2)(D).

17          (2) LEADING JOB PLACEMENT AND LEADING  
18      OUT-OF-WEDLOCK BIRTH RATE REDUCTION  
19      STATES.—The Secretary shall designate one State as  
20      the leading job placement State and one State  
21      (which may be the same State as the designated  
22      leading job placement State) as the leading out-of-  
23      wedlock birth rate reduction State and such State or  
24      States shall receive the highest bonus payments  
25      under paragraph (1).

1           (3) PRESIDENTIAL AWARD.—The President is  
 2           authorized and requested to acknowledge a State  
 3           designated under paragraph (2) with a special Presi-  
 4           dential award.

5           (e) USE OF FUNDS FOR ADMINISTRATIVE PUR-  
 6           POSES.—A State shall not use more than 10 percent of  
 7           the amount it receives under this section for the adminis-  
 8           tration of the State welfare-to-work and stronger families  
 9           program.

10          (f) CAPPED ENTITLEMENT.—This section constitutes  
 11          budget authority in advance of appropriations Acts, and  
 12          represents the obligation of the Federal Government to  
 13          provide the payments described in subsection (a) (in an  
 14          amount not to exceed the sum of the amounts determined  
 15          under subsection (b)(2) for all States).

16       **SEC. 8. TERMINATION OF CERTAIN FEDERAL WELFARE**  
 17                               **PROGRAMS.**

18          (a) TERMINATION OF AFDC AND JOBS PRO-  
 19          GRAMS.—

20               (1) AFDC.—Part A of title IV of the Social Se-  
 21          curity Act (42 U.S.C. 601 et seq.) is amended by  
 22          adding at the end the following new section:

23                       “TERMINATION OF AUTHORITY

24          “SEC. 418. The authority provided by this part shall  
 25          terminate on October 1, 1995.”.

1           (2) JOBS.—Part F of title IV of the Social Se-  
 2           curity Act (42 U.S.C. 681 et seq.) is amended by  
 3           adding at the end the following new section:

4                       “TERMINATION OF AUTHORITY

5           “SEC. 488. The authority provided by this part shall  
 6           terminate on October 1, 1995.”.

7           (b) FOOD STAMP PROGRAM TO SERVE ONLY ELDER-  
 8           LY AND DISABLED INDIVIDUALS.—

9           (1) DEFINITIONS.—Section 3 of the Food  
 10          Stamp Act of 1977 (7 U.S.C. 2012) is amended—

11                   (A) in subsection (g)—

12                           (i) in paragraph (4), by striking “(and  
 13                           their spouses)”;

14                           (ii) in paragraph (5)—

15                                   (I) by striking “in the case of”  
 16                                   and inserting “in the case of elderly  
 17                                   or disabled”; and

18                                   (II) by inserting “disabled” be-  
 19                                   fore “children”; and

20                           (iii) in paragraph (8), by inserting  
 21                           “elderly or disabled” before “women and  
 22                           children temporarily”;

23                   (B) in subsection (i)—

24                           (i) in the first sentence—

1 (I) in paragraph (1), by inserting  
 2 “elderly or disabled” before “individ-  
 3 ual”; and

4 (II) in paragraph (2), by insert-  
 5 ing “, each of whom is elderly or dis-  
 6 abled,” after “individuals”;

7 (ii) in the second sentence, by insert-  
 8 ing before the period at the end the follow-  
 9 ing: “, if each of the individuals is elderly  
 10 or disabled”;

11 (iii) in the third sentence—

12 (I) by striking “, together” and  
 13 all that follows through “of such indi-  
 14 vidual,”; and

15 (II) by striking “, excluding the  
 16 spouse,”; and

17 (iv) in the fifth sentence—

18 (I) by striking “coupons, and”  
 19 and inserting “coupons, and elderly or  
 20 disabled”; and

21 (II) by inserting “disabled” after  
 22 “together with their”; and

23 (C) in subsection (r), by striking ““Elder-  
 24 ly” and all that follows through “who” and in-  
 25 serting the following: ““Elderly or disabled’,

1 with respect to a member of a household or  
 2 other individual, means a member or other indi-  
 3 vidual who”.

4 (2) CONFORMING AMENDMENTS.—

5 (A) ELIGIBILITY.—Section 5 of the Food  
 6 Stamp Act of 1977 (7 U.S.C. 2014) is amend-  
 7 ed—

8 (i) in the first sentence of subsection

9 (c)—

10 (I) by striking “program if—”  
 11 and all that follows through “house-  
 12 hold’s income” and inserting “pro-  
 13 gram if the income of the household”;

14 (II) by striking “respectively;  
 15 and” and inserting “respectively.”;  
 16 and

17 (III) by striking paragraph (2);  
 18 and

19 (ii) in subsection (e)—

20 (I) in the first sentence, by strik-  
 21 ing “containing an elderly or disabled  
 22 member and determining benefit levels  
 23 only for all other households”;

24 (II) in the fifteenth sentence—

1 (aa) by striking “containing  
 2 an elderly or disabled member”;  
 3 and

4 (bb) in subparagraph (A),  
 5 by striking “elderly or disabled  
 6 members” and inserting “the  
 7 members”;

8 (III) in the seventeenth sentence,  
 9 by striking “elderly and disabled”;  
 10 and

11 (IV) by striking the fourth  
 12 through fourteenth sentences.

13 (B) PERIODIC REPORTING.—Section  
 14 6(c)(1)(A)(iii) of the Food Stamp Act of 1977  
 15 (7 U.S.C. 2015(c)(1)(A)(iii)) is amended by  
 16 striking “and in which all adult members are el-  
 17 derly or disabled”.

18 (3) EFFECTIVE DATE.—The amendments made  
 19 by this subsection shall apply on and after October  
 20 1, 1995.

21 (c) REFERENCES IN OTHER LAWS.—

22 (1) IN GENERAL.—Any reference in any law,  
 23 regulation, document, paper, or other record of the  
 24 United States to any provision that has been termi-  
 25 nated by reason of the amendments made in sub-

1 section (a) shall, unless the context otherwise re-  
2 quires, be considered to be a reference to such provi-  
3 sion, as in effect immediately before the date of the  
4 enactment of this Act.

5 (2) STATE PLANS.—Any reference in any law,  
6 regulation, document, paper, or other record of the  
7 United States to a State plan that has been termi-  
8 nated by reason of the amendments made in sub-  
9 section (a), shall, unless the context otherwise re-  
10 quires, be considered to be a reference to such plan  
11 as in effect immediately before the date of the enact-  
12 ment of this Act.

13 **SEC. 9. SECRETARIAL SUBMISSION OF LEGISLATIVE PRO-**  
14 **POSAL FOR AMENDMENTS TO MEDICAID ELI-**  
15 **GIBILITY CRITERIA AND TECHNICAL AND**  
16 **CONFORMING AMENDMENTS.**

17 The Secretary shall, within 90 days after the date  
18 of enactment of this Act, submit to the appropriate com-  
19 mittees of the Congress, a legislative proposal providing  
20 eligibility criteria for medical assistance under a State  
21 plan under title XIX of the Social Security Act (42 U.S.C.  
22 1396 et seq.) in lieu of the eligibility criteria under section  
23 1902(a)(10)(A)(i) of such Act (42 U.S.C.  
24 1396a(a)(10)(A)(i)) relating to the receipt of aid to fami-  
25 lies with dependent children under a State plan under part



1 A of title IV of the Social Security Act (42 U.S.C. 601  
2 et seq.) and such technical and conforming amendments  
3 in the law as are required by the provisions of this Act.

4 **SEC. 10. SAVINGS.**

5 Any savings resulting from the provisions of this Act  
6 shall be dedicated to reduction of the Federal budget  
7 deficit.



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